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Accredited

Alternative Fuel Credits, Rebates, and Tax Refunds

You may be able to save thousands of dollars on your fuel purchases...

Alternative fuels are derived from sources other than petroleum. Most reduce the dependence on imported oil and some are derived from renewable sources. These alternative fuels frequently produce less pollution than gasoline.¹



The purpose of this Tips and Trends is to offer guidance and suggestions you can use the next time your agency considers or uses alternative fuel sources.

If your agency uses alternative fuels, your agency may be eligible for alternative fuel credits or rebates through the State of Florida and/or the Internal Revenue Service (IRS).²



**Are you eligible for
alternative fuel credits,
rebates, and/or tax refunds?**



Some eligible types of gas or gas equivalents for various programs include ethanol, electricity, biodiesel (which is diesel from vegetable oils and animal fats), compressed natural gas (CNG), liquefied natural gas (LNG), propane (also known as liquefied petroleum gas or LPG), or liquid fuel derived from coal.

¹ U.S. Department of Energy – Energy Efficiency, and Renewable Energy.

² Alternative fuel credits may also apply for electric and/or solar energy vehicles.

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Each type of alternative fuel has different programs available³ in which you may be eligible to participate.

The IRS may be the first agency that comes to mind for alternative fuel credits or rebates; however, it is not the only agency to offer programs aimed to directly benefit the users of alternative fuels or alternative fuel vehicles.

Programs

- The Florida Department of Agriculture and Consumer Services Office of Energy offers rebate programs.⁴
- The State of Florida offers fuel tax refunds for local government users when tax is paid for the purchase of fuel.⁵
- The State of Florida offers incentive programs for the purchase of natural gas and propane vehicles.
- The US Environmental Protection Agency offers programs and grants for cleaner air projects.
- The IRS has Alternative Motor Vehicle Credits. Potential Alternative Fuel Credits varies by year and type of fuel.
- The IRS offers credits for taxes paid on fuel by exempt entities.⁶



Suggestions



1. Seek legal and/or tax advice to determine if your agency is eligible to file a claim for the alternative fuel credits or rebates. To be eligible, exempt entities must register with the IRS and file for the credit / rebate.

2. If eligible, consider refiling or filing for the last three years. The IRS allows past returns to be amended, so you may still be eligible to receive a past alternative fuel credit or rebate.⁷

3. Monitor legislative action for approval of additional or continued alternative fuel credits or rebates and programs in which the entity may be eligible to participate.

³ Each program has different eligibility requirements and will need to be individually reviewed to determine eligibility.

⁴ The Florida Department of Agriculture and Consumer Services has a rebate program for natural gas fuel fleet vehicles. The program currently is not funded, but you can apply for prior purchases for fleet vehicles placed into service after July 1, 2013.

⁵ The State of Florida requires qualified exempt entities to submit a completed Application for Fuel Tax Refund Permit to the Department of Revenue in order to receive a refund.

⁶ Fuel must be purchased by the government for its own exclusive use. Registration by the government is required. This program also applies to fuel purchasing cards and/or credit cards used by the government.

⁷ IRS Alternative fuel tax credits were available for Calendar Year 2015 and 2016.